

# USDA Child Nutrition Programs Administrative Review Summary Report

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**School Food Authority:** Algoma School District

**Agency Code:** 310070

**School(s) Reviewed:** Algoma Elementary School

**Review Date(s):** January 25-26, 2017

**Date of Exit Conference:** January 26, 2017

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State agencies (SA) are required to conduct administrative reviews to assess School Food Authority (SFA)'s administration of the National School Lunch Program (NSLP), School Breakfast Program (SBP), and other school nutrition programs. The objectives of the Administrative Reviews are to:

- Determine whether the SFA meets program regulations,
- Provide technical assistance,
- Secure needed corrective action,
- Assess fiscal action, and when applicable, recover improperly paid funds.

## **General Program Reminders/Updates:**

- The Department of Public Instruction (DPI) School Nutrition Team (SNT) conducts School Nutrition Skills Development Courses (SNSDC) each summer in various locations around the state at no charge. Courses cover many areas of the school nutrition programs including administrative responsibilities, program basics, meal pattern requirements and menu planning, financial management, professional standards, procurement, and many other topics. More information along with other upcoming trainings and webinars can be found on the [DPI SNT webpage](#).
- SFA staff are encouraged to pursue GOALS Certification. GOALS stands for Goal Oriented Achievement Learning Skills. This is a certificate endorsed by the DPI and is obtained by completing training in nutrition, program administration and operations, and communications and marketing. For more information go to the [DPI SNT GOALS webpage](#).
- SFAs are required to have a local meal charge policy in place no later than July 1, 2017. More information, resources, and best practices may be found on the [DPI SNT Financial Management webpage](#) under *Unpaid Meal Charges* section.

## **Appreciation/Commendations/Noteworthy Initiatives:**

Thank you to the staff at Algoma School District for the courtesies extended to us during the on-site review. Thank you for taking the time to respond to the off-site questions as well as pulling records for the on-site portion of the review, being available for in-person questions and for providing additional information when requested. All were very receptive to recommendations and guidance. It was a pleasure visiting Algoma School District.

# REVIEW AREAS

## 1. MEAL ACCESS AND REIMBURSEMENT

### Certification and Benefit Issuance

- 182 eligibility determinations were reviewed, 6 errors were identified.

#### Applications

When benefit status increases to a greater benefit, the change must take place within 3 days.

When benefit status decreases to a lower benefit, the change cannot take place before 10 calendar days and a notice of adverse action must be sent in writing with appeal procedures.

Applications are to be processed at face value if the Determining Official (DO) is confident in the clarity of the information provided. The DO should follow up with information on any application that is not clear in order to process the application correctly.

#### Household Size Box

If the Total Household Members box has been completed, but the number of children and adults listed on the application add up to a different number, the SFA is required to follow up with the household to clarify the correct number of people in the household and ensure all household members have been included on the application before an eligibility determination is made.

If the Total Household Members box has not been completed, the SFA is required to follow up with the household to confirm the total number of household members. It cannot be assumed that the number of people listed on the application is the total number of household members. This box has been added as an edit check to ensure all members of the household are included and can make a difference in the eligibility determination. Per clarification from the USDA Regional office, any application that does not have this box completed is considered an incomplete application.

#### Zero Income

Effective in SY 2016-2017, any income field left blank is a positive indication of no income and certifies that there is no income to report. When no income is provided for any household members, the application may still be processed as complete.

#### Annual Income

If the household provided only annual income, the SFA **must** follow up with the household to ensure that the amount is an accurate reflection of the household's current income.

### Other Source Categorical

If a household submits an application that indicates Other Source Categorical Eligibility, such as homeless, migrant, or runaway, the SFA must confirm the children's status by an appropriate program official either through direct contact with the agency or by a list of names provided by the agency, before meal benefits can be provided. Once confirmed, this eligibility is only available to the designated child and is not extended to other members of the household.

Applications that indicate a child is a foster child are categorically eligible for free meals. The child's status for free meals does not require confirmation of eligibility prior to receiving benefits. This benefit is not extended to other household members.

### Effective Date of Eligibility

SFAs may establish the date of submission of an application as the effective date of eligibility, rather than the date the application is received if a process is in place to capture when the application is received. This flexibility applies only to complete applications containing all required information. See SP 11-2014 for more information. The DPI SNT must be contacted prior to implementing this flexibility for approval. Contact Karrie Isaacson at [karrie.isaacson@dpi.wi.gov](mailto:karrie.isaacson@dpi.wi.gov) for more information and approval.

### Disclosure

SFAs must seek written consent from the household to use information provided on the meal application or through DC for non-food service program purposes, such as athletic or school supply fee waivers. Consent must be obtained each school year. A template [Sharing Information Form](#) is located on the [DPI SNT Free and Reduced Meal Applications and Eligibility webpage](#).

Alternatively, a SFA can ask programs requesting benefit information to have households self-disclose by providing a copy of their [Letter to Households of Approval/Denial of Benefit](#) notification letter. This option is encouraged as it reduces administrative recordkeeping for the food service department.

A [Disclosure Agreement](#) form should be signed and on file at the SFA for anyone receiving eligibility information to approve students for non-food service program benefits or with access to the meal benefit information. This form can be found on the [DPI SNT Free and Reduced Meal Applications and Eligibility webpage](#). The SFA is highly encouraged to work with their software system to ensure access to meal benefit information is only available to those with a 'need to know' reason.

### Notification Letters

Technical assistance was provided on-site that if the SFA goes back to using template notification letters (for approval/denial of meal benefits via application or Direct Certification {DC}) within their software system, the letters should be vetted against the current DPI template letters and requirements in the [Eligibility Manual for School Meals](#) to ensure all required information, including the current USDA Non-discrimination Statement, is present.

### Public Release

Thank you to the SFA for prompt removal of the public release from the SFA's website. As a reminder, the SFA should send the public release to media and grassroots organizations and, as applicable, local unemployment offices and major employers contemplating or experiencing large layoffs.

### Limited English Proficiency (LEP)

Application materials and other communications with households concerning eligibility determinations must be provided in a language that parents or guardians can understand in order to diminish any language barriers to participation for individuals with limited English proficiency.

To assist SFAs in reaching households with limited English proficiency, the DPI SNT provides the Wisconsin-ized version of the USDA Free and Reduced Price Meal application materials in English, Spanish, Hmong and Albanian on the [DPI SNT Free and Reduced Price Meal Applications and Eligibility webpage](#).

### **Verification**

Two income applications were selected from the number of available applications on file. The SFA is reminded that the two applications should be selected at random from all of the free and reduced applications as opposed to one application selected at random from the reduced applications and one selected at random from the free applications. Additionally, the SFA followed up on three households via *Direct Verification* with the county, essentially completing *Verification for Cause*. These households had submitted applications, two had case numbers and one had no case number and no income. *Direct Verification* supported benefits for two of the households. The remaining household, originally with a case number on the application, did not match for benefits via *Direct Verification* and the SFA followed up with the household to complete an application based on income.

While page 29 of the [Eligibility Manual for School Meals](#) supports *Verification for Cause* of applications with case numbers when students do not match via Direct Certification, response timeframes and benefit date changes need to be implemented to ensure timely response from households and correct benefit distribution. Additionally, when households reapply for benefits following *Verification* and *Verification for Cause*, documentation to support the income and/or assistance programs reported must accompany the application, as noted on page 48 of the [Eligibility Manual for School Meals](#).

Firm benefit change dates were not implemented for the noted household reapplying via an income application nor was income documentation requested. This app has been noted in error on SFA-1 and included in *Finding #1* below. Additionally, to ensure proper use of *Verification* and *Verification for Cause* in the future, a *Finding* and *Corrective Action* was noted below to review the requirements of *Verification*, including *Direct Verification* and *Verification for Cause*.

## **Meal Counting and Claiming**

Breakfast was observed on Thursday, January 26, 2017. Reimbursable meals were correctly identified and claimed. No meal counting errors were observed.

Lunch was observed on Thursday, January 26, 2017. Ten (10) non-reimbursable meals, all short ½ cup fruit and/or vegetable, were observed. Please see the *Finding and Corrective Action on Offer versus Serve* in the *Meal Pattern and Nutritional Quality* section that addresses this finding.

The December 2016 claims for reimbursement for the National School Lunch Program (NSLP) and the School Breakfast Program (SBP) were reviewed and validated. No errors were identified.

## **Findings and Corrective Action Required**

**Finding #1:** Of the 182 reviewed benefits, 6 were determined in error. These errors are noted on SFA-1.

**Corrective Action Required:** Please follow up with the errors noted on the SFA-1. Record the date the errors were corrected and provide a copy to the DPI. Please note, timely correction of application errors is encouraged to limit fiscal action.

**Finding #2:** While page 29 of the [Eligibility Manual for School Meals](#) supports *Verification for Cause* of applications with case numbers when students do not match via Direct Certification, response timeframes and benefit date changes need to be implemented to ensure timely response from households and correct benefit distribution. Additionally, when households reapply for benefits following *Verification* and *Verification for Cause*, documentation to support the income and/or assistance programs reported must accompany the application, as noted on page 48 of the [Eligibility Manual for School Meals](#).

Firm benefit change dates were not implemented for a household reapplying via an income application following a non-match via *Direct Verification* nor was income documentation requested. This app has been noted in error on SFA-1 and included in *Finding #1*. Additionally, to ensure proper use of *Verification* and *Verification for Cause* in the future, a *Finding and Corrective Action* was noted to review the requirements of *Verification*, including *Direct Verification* and *Verification for Cause*.

**Corrective Action Required:** Please review the requirements of *Verification*, both on the [DPI SNT Verification webpage](#) and the [Eligibility Manual for School Meals](#). Submit a summary detailing how the SFA will ensure *Verification* is completed correctly in the future. Please provide explanation to demonstrate understanding of required response and benefit change date timeframes along with the documentation requirements for households reapplying for benefits following *Verification* and *Verification for Cause*.

## **2. MEAL PATTERN AND NUTRITIONAL QUALITY**

Sincere thanks to the Food Service Director and site manager and school nutrition professionals at Algoma Elementary School for your time and efforts spent preparing for and participating in the onsite review. We appreciate your openness to asking and answering questions. Open communication helped identify the strengths and areas of opportunity for the food service at Algoma Elementary School. Furthermore, I applaud the director and manager's recognition of the areas for opportunity, willingness to learn, and determination to make improvements. Please do not hesitate to contact me with questions or concerns.

### **Meal Components and Quantities**

The meal pattern for Child Nutrition Programs was updated as part of the Healthy, Hunger-Free Kids Act (HHFKA) of 2010 with many of the updates to the National School Lunch (NSLP) and School Breakfast Programs (SBP) being implemented July 1, 2012. The updated meal pattern eliminated the option for nutrient-based menu planning and dictated new age/grade groups for menu planning (grades K-5, 6-8, K-8, and 9-12). Additionally, it required specific daily and weekly minimum offerings be met for meat/meat alternate and grains for each age/grade group. During School Year (SY) 2012-2013 and SY 2013-2014, half of all grains offered had to be whole grain-rich (WGR). However, all grains offered with reimbursable meals must be WGR effective this school year beginning July 1, 2014. The updated meal pattern has created separate components for fruits and vegetables and with weekly requirements outlined for the five required vegetable subgroups (dark green, red/orange, beans/peas, starchy, and other). More information regarding the updated meal pattern can be found at <http://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning>.

All five components are equally important to a reimbursable meal. Under Offer versus Serve, a student must select three of five components offered, including 1/2 cup fruit and or vegetable, as part of his or her reimbursable meal. He or she may decline the entrée, which is often the grain and/or meat/meat alternate component, in favor of fruit, vegetables, and milk. In contrast to My Plate, which identifies protein and dairy as food groups, the HHFKA meal pattern identifies meat/meat alternate and milk as components. These terms are not interchangeable. Dairy products, such as cream cheese and sour cream, are not creditable in the SBP or NSLP.

### **K-8 Meal Pattern**

It is recommended to simplify serving patterns between grade groupings. This makes it much easier for the menu planner and for all the volunteer servers that assist with the lunch program. Keep in mind, the Offer versus Serve policy is in place school-wide to minimize food waste.

### **1/2 Cup Fruit or Vegetable or Combination Requirement**

As a reminder, all reimbursable meals must include selection of 1/2 cup fruit, 1/2 cup vegetable, or 1/2 cup combination. One-half cup combination means the student selected some fruit, some vegetable, and two other full components.

## **Standardized Recipes**

Any menu item that has more than one ingredient, such as taco soup or egg muffins, should have a standardized recipe. This is defined as one that has been tried, tested, evaluated, and adapted for use by your food service. It produces a consistent quality and yield every time when the exact procedures, equipment, and ingredients are used. A few recipes used during the review week were lacking pieces of information necessary for standardized recipes. Technical assistance was given onsite to analyze each serving of the recipes. This is necessary for menu planning to ensure that the portions offered actually are what is intended. Please use the Recipe Review Tools at <http://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning/recipes> to aid in this process. There is a checklist for pieces of information necessary to standardize a recipe, calculators to assist with nutrient analysis, and a template to help organize the information. The recipe standardization process will take several times producing the menu item to make sure it comes out the same way. This requires organized record keeping throughout the process.

## **Crediting Documentation**

The USDA Food Buying Guide for Child Nutrition Programs contains yield and crediting information for foods with a standard of identity (in large part, unprocessed foods.) Foods that do not have a standard of identity are not listed in the Food Buying Guide. Processed products require a current Child Nutrition (CN) label or a detailed product formulation statement (PFS) to be credited toward the meal pattern. A complete PFS must be directly from the manufacturer and must include the product name and number, weights of raw and cooked ingredients, portion size, statement of contribution to meal pattern requirements, and an original signature from the manufacturer certifying that the information is correct. It is highly preferred that this documentation is printed on company letterhead, and signed by an appropriate person (e.g., a quality assurance agent or registered dietitian, rather than a salesperson.) If a processed item does not have a valid CN label or PFS, it may not be credited when served as part of the USDA's Child Nutrition Programs. Additionally, remember to collect new product labels annually, as well as updating records when new products are purchased and when product formulations change throughout the school year. More information regarding crediting documentation can be found at <http://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning/meal-pattern>

## **Signage**

Adequate signage helps ensure that students accurately select a reimbursable meal. Signage was available near the entrance to the cafeteria; however, it may be helpful to reposition them nearer to the beginning of the serving line. Update signage daily to include all menu items. Indicate clearly to students how many items at breakfast or components at lunch must be taken to constitute a reimbursable meal. Algoma Elementary School serves kindergarten through fifth grade students. To better serve students who are still learning to read, the site manager suggested adding pictures or preparing a model tray.

## **Portion Control**

Proper portion size utensils should be used, such as a measuring cup for cereal. Meat/meat alternate is credited by weight, not by fluid ounces. Spoodles measure fluid ounces, not ounces by weight, so it is not appropriate to use a 3 ounce spoodle for an intended 3 ounce (by weight) serving. To ensure that students are receiving the adequate amount of meat/meat alternate, weigh the meat/meat alternate, then determine which scoop will hold that weight of meat. This procedure should be followed for macaroni and cheese with a CN label as well.



DPI SNT allows the use of in-house yield data for crediting food items contributing to meal pattern requirements. Procedures must be followed. Original documentation showing method and procedures used to determine yield must be completed and maintained at food service operation. Documentation will be reviewed by DPI-SNT during the School Food Authority's next regularly-scheduled Administrative Review. An in-house yield study may be warranted if your food service operation is consistently getting a higher or lower yield from a product than the yield specified in the Food Buying Guide (FBG) or if a specific food item or size is not currently listed in the FBG. Procedures and templates are available at <https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning>.

### **Special Dietary Needs**

All food substitutions made outside of the meal pattern requirements must be supported by a signed medical statement from a licensed medical professional. SFAs must accommodate dietary requests that are supported by a signed medical statement from a licensed medical practitioner. Meals served to a students with special dietary needs who have a signed medical statement from a licensed medical practitioner do not need to meet meal pattern requirements. You may use the prototype Medical Statement for Special Dietary Needs posted on our website which is also available in Spanish and Hmong: <http://dpi.wi.gov/school-nutrition/national-school-lunch-program/special-dietary-needs>.

Juice may not be substituted for fluid milk unless juice is specified as a substitution on a medical statement signed by a licensed medical practitioner. Water is available to all students, lactose free milk may be offered, or schools may choose to provide a fluid milk substitute that meets the nutritional requirements set forth by USDA. If choosing to provide a fluid milk substitute, you must notify our office in writing and provide the nutrition information from the product you will be using.

### **Whole Grain-Rich**

Some of the grain products currently in use are not whole grain-rich (WGR), such as fruit whirls cereal, tortilla strips, and English muffins. However, since July 1, 2014, all grain products for both breakfast and lunch are required to be whole grain-rich. A whole grain-rich food is not necessarily 100% whole grain, but at least 50% of its grain ingredients must be whole grain. In order to be whole grain-rich, a grain food must list a whole grain as its first ingredient. Any other grain ingredients in the product must be enriched, if not whole grain. Or, documentation must be available in the form of a product formulation statement (PFS) to show that the combined weight of multiple whole grain ingredients exceeds the weight of the enriched grain ingredients. USDA has a very thorough Whole Grain Resource that provides tools and tips for identifying whole grain-rich products: <http://www.fns.usda.gov/sites/default/files/WholeGrainResource.pdf>.

### **Smarter Lunchroom Techniques**

The Smarter Lunchrooms Movement encourages schools to implement low-cost and no-cost lunchroom solutions to help students' select healthier meal options. Smarter Lunchroom techniques are easy to begin implementing and do help encourage student consumption of fruits, vegetables, legumes, non-flavored milk, and other healthful choices. Learn more about these effective, research-based strategies at: <http://smarterlunchrooms.org>. Access the Smarter Lunchroom Scorecard, a self-assessment including strategies to implement in the lunchroom, at [http://smarterlunchrooms.org/sites/default/files/slm-scorecard2.0\\_0.pdf](http://smarterlunchrooms.org/sites/default/files/slm-scorecard2.0_0.pdf).



## **Cycle Menu Resources**

Using a cycle menu can help to ease the burden of menu planning once the cycle has been set and also help to ensure that meal pattern requirements are being met after a compliant cycle has been planned (if served as planned). They can also aid in purchasing if production records are reviewed and analyzed to forecast meal counts based on historical data.

If using a cycle menu, production records can also be partially completed including the menu items, crediting information, serving sizes (potentially planned quantity), etc. and photocopies can be made or if they are completed electronically, they can be printed out and the remaining information can be filled out during production and after meal service.

## **Sharing Table**

Both the site manager at Algoma Elementary School and the Food Service Director expressed interest in a sharing table. Source reduction should be considered first and foremost. Please note, school food authorities are no longer required to obtain approval from the School Nutrition Team for sharing tables or food donations. Specific standard operating procedures (SOPs) must be developed and in place to ensure the safety of any food or beverage placed on a sharing table. Resources are in development and will be posted to the [Food Safety webpage](#) as they become available. Local health and food safety codes apply. Consult your local regulatory authority.

## **Production Records**

Production records are imperative to document that food meeting the meal pattern was served in the appropriate serving sizes. Work with all staff members to record planned usage, actual usage, and leftovers. This not only will help in planning, reduction of food waste, but will help you get an accurate nutrient analysis on your weekly menus. It was encouraged to use cup volume amounts when recording portion sizes on the production records for fruits and vegetables. This will be the easiest way to make sure the meal pattern is being met. For meat/meat alternate and grain items crediting information should be recorded in ounce equivalents.

Additionally, substitutions made for students with special dietary needs must be recorded. You may choose to write this information on the same or on a separate production record. You must keep dietary request forms on file as supporting documentation.

## **Training**

It is recommended that anyone involved with the school meals program attend DPI training classes. The classes are offered in the summer and selected other times throughout the year. Classes are provided free of charge. Numerous webcast training sessions are also available online. Travel/meal expenses are allowable food service expenses for your program. The classes provide an overview of all areas of the USDA requirements for the federal nutrition programs including verification, free/reduced applications, civil rights, USDA Foods, menu planning, production records, and record keeping requirements. Information on summer classes will be sent to School Food Authorities in late spring and is also available on the DPI website at <http://dpi.wi.gov/school-nutrition/training>.

## Offer versus Serve (OVS)

As noted under *Meal Counting and Claiming* above, ten (10) lunch meals were deemed non-reimbursable as all meals were missing the required ½ cup fruit and/or vegetable. Technical assistance was provided on-site to make the inclusion of a fruit or vegetable easier for students and to improve monitoring by food service serving staff prior to a final check at the computer Point of Service (POS). *Corrective Action* has been requested below to address the non-reimbursable meal *Finding*. Additional OVS resources that Algoma may find helpful include:

- [Offer Versus Serve Webcast](#)
- [Lunch in a Nutshell](#) handout

### **Findings and Corrective Action Required**

**Finding #3:** Meat/meat alternate (1.0 ounce equivalent) and grain (0.75 ounce equivalents) component shortages during the week of review.

**Corrective Action Required:** Please submit an updated menu or statement describing how you will alter the menu to meet the requirements going forward.

**Finding #4:** Insufficient crediting documentation for Papa Murphy's pizza and taco soup served during the week of review.

**Corrective Action Required:** Please submit an updated product formulation statement (PFS) for Papa Murphy's pizza. Also, submit an updated standardized recipe for taco soup, including recipe yields (serving size for single portion(s), total number of portions, and total volume or measure [gallons]).

**Finding #5:** Offer versus Serve is not being properly implemented at lunch.

**Corrective Action Required:** Algoma Elementary School's site manager must watch the Offer Versus Serve webcast on the DPI School Nutrition Team webpage, located at the following address: <http://dpi.wi.gov/school-nutrition/training/webcasts#cyc>. Then, she will conduct training for Algoma Elementary School staff who serve lunch. Please submit any training materials developed as well as a roster or checklist indicating training has occurred.

**Finding #6:** Fruit whirls cereal, tortilla strips, and English muffins are not whole-grain rich products. Grains that are not whole grain-rich cannot be credited toward the grain component.

**Corrective Action Required:** Discontinue serving these products and submit labels for replacement products.

**Finding #7:** Production records are not filled in completely.

**Corrective Action Required:** Please submit production records for one full day with all sections filled in completely.

### 3. RESOURCE MANAGEMENT

#### Nonprofit School Food Service Account

The SFA flagged for a comprehensive resource management review in the *Nonprofit School Food Service Account* as it had an Excess Cash Balance in SY 15-16. Discussions were had with the Business Manager during the on-site regarding the SFA's past and projected food service purchases that will bring the cash balance within the required levels.

As a reminder, access to the SFA's Child Nutrition Report, which provides a compilation of meals claimed, reported revenues and expenditures, amount of federal reimbursement received and per meal costs for lunch and breakfast, is described in the document [Viewing the Child Nutrition Report](#). The DPI Aids Register is also available to track all program deposits made to the SFA's account as well as the amount deducted from reimbursement to pay for shipping, handling and processing costs of USDA Foods. The Aids Register is available on the [DPI SNT Financial Management webpage](#). Both resources are also accessible on the [Online Services webpage](#).

#### Annual Financial Report

In SY 16-17, all revenues including reimbursements and student payments and expenses including food, labor, equipment, purchased services, and other need to be entered into the program to which they belong. Please note there are additional categories than in previous years:

- **NSL** - schools participating in the National School Lunch Program.
- **SB, SBSEVERE** - both regular School Breakfast and Severe Need Breakfast.
- **SK-NSL, SK-NSLAE** - both After School Snacks and Area Eligible Afterschool Snacks.
- **SMP** - Special Milk Program.
- **Grants** - all grant awards and expenditures.
- **WSDMP** - Wisconsin School Day Milk Program.
- **EN** - Elderly Nutrition.
- **Nonprogram Foods** - all Nonprogram Foods (including: a la carte items, adult meals, milk only, extra entrees, vended meals sold under a joint agreement, catered meals, vending machines, etc.)
- **CACFP** - daycare and supper meals claimed under Child and Adult Care Food Program.
- **SFSP** - meals claimed in Summer Food Service Program.

The [new SY 16-17 Annual Financial Report instructions](#) are located on [DPI SNT Financial Management webpage](#).

USDA Policy Memorandum SP 46-2016 requires all SFAs operating federal school meal programs, by July 1, 2017, to have a written and clearly communicated policy that addresses unpaid meal charges. For a snap-shot on what the policy must include, see the [Unpaid Meal Charges In a "Nutshell"](#). For a more comprehensive overview, see [SP 58-2016: Unpaid Meal Charges Guidance](#). In addition, bad debt is an unallowable expense to the food service program. A transfer must be made from non-federal funds to cover student account write-offs, as noted in [SP57-2016 Unpaid Meal Charges Guidance](#).

## Paid Lunch Equity

The SFA is in compliance with PLE by raising student meal prices \$0.10. The PLE tool must be completed yearly and prices raised accordingly with a maximum yearly increase of \$0.10 as required by regulation.

## Revenue from Nonprogram Foods

The SFA flagged for a comprehensive resource management review in the *Revenue from Nonprogram Foods* section as it sells nonprogram foods.

Nonprogram foods include:

- Adult Meals
- A la Carte
- Extra Entrees
- Extra Milk (for cold lunch or milk break),
- Vended Meals (meals sold to other agencies)
- Catered Meals
- Vending Machines operated by Food Service

All nonprogram food costs including food, labor, equipment, purchased services, and other must be covered by revenues received from the sale of those foods. Nonprogram foods may not be supported by reimbursable meals nor be absorbed by the food service account. Nonprogram food costs and revenues must be separated from program food costs and revenues. In regards to adult meals, food service programs must price adult meals above the overall cost of the meals. Since adult meal costs can be difficult to calculate, SFAs must, at a minimum, follow the minimum pricing guidelines in Food Nutrition Services Instruction 782-5, which are outlined in the [Wisconsin Adult Meal Pricing Worksheet](#). SFAs must reassess adult meal prices annually prior to contract submission to ensure student reimbursement is not being used to subsidize adult meals.

At a minimum, the [USDA Nonprogram Food Revenue Tool](#) must be completed yearly. The [DPI Nonprogram Food Revenue Tool/Calculator](#) aids in calculating prices of nonprogram foods and feeds into the USDA Nonprogram Food Revenue Tool to determine compliance with USDA nonprogram food regulations.

To complete the USDA Nonprogram Food Revenue Tool, the SFA must select a reference period of at least 5 consecutive operating days of a regular school week, and compare the reference period revenue ratio to the food cost ratio for the entire SFA to determine if the revenue ratio is equal to or greater than the food cost ratio (see Figure 1 below). Rather than separating all costs for the entire year (although recommended), SFAs must separate their non-program food costs from their program food costs for the selected period to complete the Tool. If the revenue ratio is equal to or greater than the food cost ratio, the SFA is in compliance.

$$\frac{\text{Nonprogram food revenue}}{\text{Total program and nonprogram revenue}} \geq \frac{\text{Total nonprogram food costs}}{\text{Total program and nonprogram food costs}}$$

Figure 1 - Nonprogram Foods Revenue and Costs Ratio

Nonprogram food revenue is the dollar amount of nonprogram food sales sold through the nonprofit school food service account including la carte sales, adult meals, vending machines, extra/cold lunch milks, etc. Total program and nonprogram revenue includes the dollar amount from program and nonprogram food sales.

If using the DPI Nonprogram Food Revenue Tool/Calculator to complete the USDA Nonprogram Food Revenue Tool (recommended), to determine nonprogram food cost data, gather an itemization of all nonprogram foods offered during the selected reference period and enter the per item raw food cost of each nonprogram food and the number of servings/items sold in the selected reference period.

For total program and nonprogram food costs, include all program and nonprogram food costs. Program food costs data should be available using production records, invoices, etc.

The [Nonprogram Foods Revenue Rule SP 20-2016](#) and the [Nonprogram Foods In a ‘Nutshell’](#) can provide additional guidance and clarification on nonprogram foods.

**Finding #8:** The USDA Nonprogram Food Revenue Tool was not fully completed by the SFA. Technical assistance was provided during the on-site to the Food Service Director.

**Corrective Action Required:** Please submit a completed USDA Nonprogram Food Revenue Tool. If the Tool comes out in the red, requiring *Additional Revenue to Comply*, please submit a plan going forward for how the SFA will comply with the shortfall (i.e. raise nonprogram food prices and/or contribute non-federal funds to meet the required ratio. Please note, the SFA is encouraged to use the DPI Nonprogram Food Revenue Tool/Calculator which feeds into the USDA Nonprogram Food Revenue Tool.

## 4. GENERAL PROGRAM COMPLIANCE

### Civil Rights

#### Non-discrimination Statement

The SFA used template materials from DPI which contain the current USDA Non-discrimination statement. As a reminder, if the SFA develops or uses template letters from their software system, the documents should contain all of the information included on the DPI template letters including the full USDA Non-discrimination statement, which is available on the DPI SNT [Civil Rights webpage](#). When space is limited, such as on printed menus, the abbreviated statement may be used, “**This institution is an equal opportunity provider.**” Both statements should be in the same size font as the other text in the document.

#### And Justice for All Poster

An “And Justice for All” poster was available and readable in the cafeteria.

#### Civil Rights Training

Civil rights training had been completed and documentation was available for review.

#### Civil Rights Self-Compliance Form

The Civil Rights Self-Evaluation Compliance form was completed by October 31st.

### Special Dietary Needs

All food substitutions made outside of the meal pattern requirements must be supported by a signed medical statement from a licensed medical practitioner. SFAs may use the [template Dietary Request Form](#) posted on the [DPI SNT Special Dietary Needs webpage](#). This template is also available in Spanish and Hmong. SFAs must accommodate dietary requests that are supported by a signed medical statement from a licensed medical practitioner.

School food service staff may make food substitutions, at their discretion, for children for whom they do not have a signed medical statement from a licensed medical practitioner. It is highly recommended that the SFA still have a completed Dietary Request Form on file from a medical authority, such as a school nurse, to support the request. These types of accommodations must be made according to the USDA's meal pattern requirements in order for the meals to be claimed for reimbursement. It is recommended that the SFA develop a policy for handling these types of accommodations to ensure that requests are being handled equitably.

### Processes for complaints

Schools must have a process for receiving and processing complaints alleging discrimination within USDA Child Nutrition Programs. All verbal or written civil rights complaints regarding the school nutrition programs that are filed with the SFA must be forwarded to the Civil Rights Division of USDA Food and Nutrition Service within 3 days. A SFA may always attempt to resolve a situation that is occurring in real time. However, if an individual states that they wish to file a civil rights complaint, the SFA must provide them with the information necessary to do so and not impede an individual's right to file. The [USDA Program Discrimination Complaint Form](#) is available to assist in filing these complaints and can be found on the [DPI SNT Civil Rights webpage](#). As noted in the SFA's [Parent/Guardian Information Letter/Frequently Asked Questions](#), included with Free and Reduced Price Meal Application, households can contact the SFA's DO regarding benefit determination or the SFA Administrator.

### **On-site Monitoring**

The Administrative Review Final Rule updated 7 CFR Part 220.11(d)(1) established the requirement to conduct on-site monitoring of the School Breakfast Program beginning in SY 2016-17. The requirement is to annually review 50% of schools approved to participate in the SBP within the jurisdiction of the SFA, with each school in SBP being reviewed once every two years. For more information see [USDA memo SP 56-2016](#). The [National School Lunch Program On-site Monitoring Form](#) and [School Breakfast Program On-site Monitoring Form](#) are currently available on the [DPI SNT Administrative Review webpage](#).

Lunch monitoring forms were available for all schools in the District. Breakfast monitoring was completed after the on-site but prior to February 1<sup>st</sup>.

## **Local Wellness Policy Summary for Administrative Review**

The local wellness policy requirement was established by the Child Nutrition and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Reauthorization Act of 2004 and further strengthened by the Healthy, Hunger-Free Kids Act of 2010 (HHFKA). The final rule requires School Food Authorities (SFAs) to begin developing a revised local school wellness policy during School Year 2016-2017 and full compliance with the requirements of the final rule by June 30, 2017.

At a minimum, SFAs must permit participation by the general public and the school community including parents, students, and representatives of the school food authority, teachers of physical education, school health professionals, the school board, and school administrators in the wellness policy process. In addition, SFAs must designate one or more school officials to ensure each school complies with the policy.

At a minimum the wellness policy must include:

- Specific goals for nutrition promotion and education, physical activity, and other school-based activities that promote student wellness. SFAs are required to review and consider evidence-based strategies in determining these goals.
- Standards and nutrition guidelines for all foods and beverages sold to students on the school campus during the school day that are consistent with Federal regulations for school meal nutrition standards and the Smart Snacks in School nutrition standards.
- Standards for all foods and beverages provided, but not sold, to students during the school day.
- Policies for food and beverage marketing that allow marketing and advertising of only those foods and beverages that meet the Smart Snacks in School nutrition standards.
- Description of public involvement, public updates, policy leadership, and evaluation plan.

SFAs must complete an assessment of the policy every three years (triennial assessment) to determine compliance with the policy, how the policy compares to model policies, and process made in attaining the goals of the wellness policy. SFAs must make the triennial assessment, as well as the wellness policy and any updates to the policy, available to the public.

A summary of the requirements can be found at:

[http://www.fns.usda.gov/sites/default/files/tn/LWPsummary\\_finalrule.pdf](http://www.fns.usda.gov/sites/default/files/tn/LWPsummary_finalrule.pdf). USDA Food and Nutrition Service has information on the local school wellness policy process and wellness policy elements at: <https://healthymeals.nal.usda.gov/school-wellness-resources>. Wisconsin Team Nutrition has several wellness policy resources available including a toolkit, a wellness policy builder, and wellness policy report card at: <http://dpi.wi.gov/school-nutrition/wellness-policy>.



The SFA's Local Wellness Policy (LWP) was reviewed and the SFA is reminded of the following:

- Smart Snacks Standards apply to all foods sold outside of the reimbursable meal, including those sold by food service and other individuals/groups throughout the SFA. LWP language should be reviewed and updated to include information on Smart Snacks Standards.
- Food and beverage marketing guidelines should be included in the LWP.
- Evidence-based strategies for nutrition promotion, such as [Smart Lunchrooms](#), should be explored and considered for inclusion.
- Language should be included regarding the triennial assessment and how the results of the assessment will be made available to the public. Note, the assessment should determine compliance with the LWP, how the LWP compares to model policies, and process made in attaining the goals of the LWP. The assessment is not a simply a review and approved of changes to the LWP.

### **Professional Standards**

The Professional Standards regulations in 7 CFR 210.30 established hiring standards for new school nutrition program directors, hired on or after July 1, 2015, that manage and operate the National School Lunch and School Breakfast Programs. In addition, the regulations established annual training standards for all school nutrition program directors, managers, and staff which must be tracked.

Each SFA must designate at least one staff member as a program “director”. A program “director” is the person designated to perform or oversee the majority of the program duties such as sanitation, food safety, nutrition and menu planning, food production, procurement, financial management, record keeping, customer service, nutrition education, and general day-to-day program management.

Annual training must be job-specific and intended to help employees perform their duties well. The required annual training hours vary according to the employee's role in the management and operation of the school nutrition program.

In the SFA, documentation indicated the Food Service Director (FSD) and Food Service (FS) Staff regularly attend, view, or train on various continuing education topics. Kudos to the FSD and FS Staff for their dedication to continuing education. Technical assistance was provided that continuing education logs should include the name of staff person, date hired, title/position, brief list of core duties/responsibilities, status (full, part-time, volunteer, etc.), professional standards position (director, manager or staff).

In addition to training completed and tracked by FSD and FS Staff, the SFA's Business Manager should maintain documentation of continuing education completed for participation in USDA Child Nutrition Programs. Although not preparing and serving food directly, the Business Manager does work with the finances of the school nutrition program operation.

Continuing education can be tracked minute-for-minute and be obtained in a variety of formats (online, in person, webinars) from various providers (DPI, USDA, in-house, etc.). Training must be job-specific and help employees perform their duties well. Learning codes are not required, but encouraged. A [DPI developed Microsoft Excel based tracker](#) is posted to the [DPI SNT Professional Standards webpage](#).

**Annual Training Requirements for All Staff** - If hired January 1 or later, only ½ of the training hours are required during the first school year (SY) of employment.

<b>Directors</b>	<b>Managers</b> (20 hrs or more/week)	<b>Other Staff</b> (less than 20 hrs/week)	<b>Part Time Staff</b>
2015-16 SY	2015-16 SY	2015-16 SY	2015-16 SY
<b>8 hours</b>	<b>6 hours</b>	<b>4 hours</b>	<b>4 hours</b>
2016-17 SY	2016-17 SY	2016-17 SY	2016-17 SY
<b>12 hours</b>	<b>10 hours</b>	<b>6 hours</b>	<b>4 hours</b>

### Smart Snacks in Schools

Smart Snack regulations went into effect on July 1, 2014 apply to all food and beverage items sold to students during the school day, with the school day being designated as midnight the night before until 30 minutes after the end of the school day. This includes foods sold through fundraisers with intended consumption during the school day (i.e. frozen pizza fundraisers would not be included as consumption is intended outside of the school day).

The District is reminded that any vending machines with non-compliant foods and beverages must be turned off or on a timer from midnight the evening before until 30 minutes after the end of the school day.

Since Smart Snack regulations apply to the entire school, it is important that all involved with the sale of food and beverage items, not just the food service department, be involved in monitoring and complying with the regulations. Involvement of school administration is highly recommended and encouraged. It is important to remember that the goal of Smart Snacks is not to regulate what student can and can't have but is in place to build healthy school environments and teach valuable life nutrition skills to all students.

The DPI SNT has developed several resources to assist schools and districts in meeting these regulations including a [Compliant Fundraiser Tracking Tool](#), an [Exempt Fundraiser Tracking Tool](#), a [Smart Snacks Tracking Tool](#), a [Smart Snacks in a Nutshell handout](#), and a [Smart Snacks – Strategies for Success handout](#). Please visit the [DPI SNT Smart Snacks website](#) for more information.

### Water

Water is required to be available at no charge to students during the lunch and breakfast meal services. Schools can provide free water in a variety of ways, such as water pitchers and cups on lunch tables, a water fountain, or a faucet that allows students to fill their own bottles or cups. Water was available via cups and a water dispenser for lunch but not for breakfast. Please see the *Finding and Corrective Action* following this section that addresses this issue.

## **Food Safety and Storage**

### Food Safety Inspections

The most recent food safety inspection was posted and available for review in the cafeteria.

### Food Safety Plans

The food safety plan was available for review.

### Temperature Logs

Reviewed temperature logs were completed by the SFA. SFAs are encouraged to include language directly on the log that includes ideal temperature ranges and corrective action to take if temperatures are outside of ideal ranges.

### Storage

The on-site storage areas were reviewed, including freezers, refrigerators, dry good storage rooms and other areas. Some empty boxes were observed to be on the storage room floor but otherwise the room was orderly.

## **Buy American**

The USDA requires that a SFA purchase, to the maximum extent practicable, domestic commodities or products. Using food products from local sources supports small local farmers and provides healthy choices for children in school meal programs as well as supports the local economy. The Buy American provision is required whether food products are purchased by SFAs or entities that are purchasing on their behalf. The Buy American provision should be included in solicitations, contracts, and product specifications.

There are limited exceptions to the Buy American provision which allow for the purchase of products not meeting the “domestic” standard as described above ( “non-domestic”) in circumstances when use of domestic products is truly not practicable. Refer to SP 24-2016 for more information on the Buy American provision and limited exceptions.

SFAs must monitor contractor performance to ensure contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. This is accomplished by ensuring the product label designates the United States, or its territories, as the country of origin. Therefore, SFAs must ensure that products delivered comply with any Buy American contract provisions by reviewing products and/or delivery invoices/receipts to identify the country of origin is the United States or its territories. SFAs also need to conduct a periodic review of storage facilities, freezers, refrigerators, dry storage, and warehouses to ensure products comply with the Buy American provision, unless a limited exception has been approved.

The following item was found to be non-compliant during the on-site review:

- California Vegetable Blend – Mexico
- Cherry Tomatoes - Mexico
- Cucumbers - Mexico

The SFA should work with its distributor to see if this product are available domestically. If not, documentation requested in the [Non-compliant Product List](#) should be obtained. Please note, the use of this form is the exception, not the rule.

More information on this new requirement can be found on the [DPI SNT Procurement webpage](#). The SFA is encouraged to ask questions on this regulation during their Procurement Review.

### **Reporting and Recordkeeping**

Thank you for completing the required USDA and DPI reports and maintaining the paperwork in an organized manner. As a reminder, all free and reduced price applications, including applications from households denied benefits must be kept on file for a minimum of three years after the final claim is submitted for the fiscal year to which they pertain. The SFA exceeds this record retention requirement.

### **School Breakfast Program (SBP) Outreach**

The SFA participates and meets promotion requirements for the School Breakfast Program (SBP). Parents play an important role in School Breakfast Program participation. A [video](#) was developed to show parents the benefits that the School Breakfast Program provides for them and their children. National School Breakfast Week is in the spring each year. This is a great time to promote your breakfast program, try new recipes, incorporate activities, etc. to increase participation.

### **Summer Food Service Program (SFSP) Outreach**

As part of the National School Lunch Program (NSLP), it is requirement to complete SFSP outreach. The purpose is to inform students and families of the free feeding site(s) they may have access to in the summer while school is out of session. Options for outreach include informing families via email and/or newsletter about the availability of free summer meals via the [Summer Meals Map](#), the option to call 2-1-1 to connect with local health and humans services, the option to text 'food' to 877-877, and/or [posting free SFSP posters](#) in the SFA. For more information on Summer Food Service Program, please contact:

Amy J. Kolano, RD, CD  
Summer Food Service Program Coordinator  
Phone: 608.266.7124  
E-mail: [amy.kolano@dpi.wi.gov](mailto:amy.kolano@dpi.wi.gov)

**Finding #9:** Free, potable water was not available during breakfast meal service.

**Corrective Action Required:** Please submit a statement confirming free, potable water will be provided to students during breakfast meal service.

## 5. OTHER FEDERAL PROGRAMS REVIEWS

### Special Milk Program (SMP)

Documentation for the SMP was reviewed and no issues were noted.

### Wisconsin School Day Milk Program (WSDMP)

Claim documentation was reviewed for the WSDMP operated in SY 15-16. No issues were noted for the claim for reimbursement. The follow reminders are standard reminders for the operation of the program.

- Schools must serve Wisconsin-produced milk. Please verify this with your distribution and include in your milk bid.
- Students of paid meal status that take milk during the operation of the WSDMP cannot be claimed in the program and must be assessed a charge for the milk. If the SFA wishes to provide milk to paid students free of charge, it can but the cost cannot be absorbed by the food service account. A transfer from an outside fund (i.e. SFA's General Fund/Fund 10) to the non-profit food service fund would need to be completed.

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Dr. Tony Evers, State Superintendent of Wisconsin Department of Public Instruction, shares a vision that every student will graduate prepared for college and career in an initiative called "Agenda 2017". His goals are for students to have the knowledge, skills, and habits that will allow them to succeed in life after high school. Access to quality nutrition plays a major role in developing those life-long habits.

The School Nutrition Team believes that what school nutrition programs do every day plays a very important part in the success of every child being able to graduate. We all know that well-nourished children are ready to learn. Thank you for all you do to ensure your students' success.

For more information on this initiative, please visit the Wisconsin DPI Every Child a Graduate webpage [dpi.wi.gov/statesupt/agenda-2017](http://dpi.wi.gov/statesupt/agenda-2017).

